

## Message Text

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21/13

ACTION EB-07

INFO OCT-01 ISO-00 IO-11 AF-06 ARA-06 EA-07 EUR-12 NEA-10

OIC-02 FEA-01 AGR-05 CEA-01 CIAE-00 COME-00 DODE-00

FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00 NSC-05

PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01 TRSE-00

USIA-06 PRS-01 SP-02 OMB-01 /135 W

----- 117168

R 191726Z FEB 76

FM USMISSION GENEVA

TO SECSTATE WASHDC 8235

INFO AMEMBASSY BUENOS AIRES

AMEMBASSY CANBERRA

AMEMBASSY LONDON

AMEMBASSY NEW DELHI

AMEMBASSY OSLO

AMEMBASSY OTTAWA

AMEMBASSY PARIS

QAMEMBASSY STOCKHOLM 152

AMEMBASSY TOKYO

AMEMBASSY VIENNA

AMEMBASSY WARSAW

AMEMBASSY WELLINGTON

USMISSION EC BRUSSELS

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(CORRECTED COPY - MRN 1202 VICE 102)

EO 11652: N/A

TAGS: GATT ETRD

SUBJECT: GATT COUNCIL MEETING, FEBRUARY 17

REF: STATE 36606

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FOLLOWING IS SUMMARY OF ACTIONS TAKEN AT GATT COUNCIL

FEB 17:

1. BALANCE OF PAYMENTS COMMITTEE REPORTS. EC, IN

INDIRECT REFERENCE TO LAST YEAR'S BOP COMMITTEE DIATRIBE BY ARGENTINA, SAID ESTABLISHED BOP COMMITTEE PROCEDURES SHOULD BE RETAINED AND NOTED IMPORTANCE OF FOLLOWING RULES AND PROCEDURES OF GATT. US SUPPORTED REPORTS ADOPTED WITHOUT FURTHER DISCUSSION.

2. SCHEDULE OF BOP CONSULTATIONS FOR 1976.  
ADOPTED. (SEPTTEL ON BARZIL DISCUSSION.)

3. BIENNIAL REPORTS ON EC/EFTA AGREEMENTS. US MADE STATEMENT ON SLOW PROGRESS ON RULES OF ORIGIN CHANGES, ALONG LINES OF REFTEL. CANADA SUPPORTED AND SAID SOME RECENT CHANGES IN RULES OF ORIGIN WERE A STEP BACKWARD. (NOTE: AFTERWARDS CANADA (STONE) TOLD US HE REFERRED TO TREATMENT WOOD PULP IN AUSTRIA WHEREBY R/O CHANGE EFFECTIVE JAN 1, 1976 MEANT AUSTRIAN IMPORTERS HAD TO SWITCH IMPORT SOURCES IN ORDER CONTINUE QUALIFY FOR 4 PERCENT DUTY DRAWBACK. THIS NEW EFFECT RESULTS FROM PROTOCOL 3, ART XXIII, WHICH FOUND IN ALL EC/EFTA AGREEMENTS.) EC (LUYTEN) GAVE TESTY REPLY THAT R/O DESIGNED TO KEEP OUTSIDERS FROM UNDULY PROFITING FROM FTAS. EFTA (AMB HAMBRO, NORWAY) STATED AGREEMENT WITH EC VIEWS AND SAID COUNCIL WAS NOT THE PLACE FOR DISCUSSION WHILE ART XXII CONSULTATIONS IN PROGRESS. COUNCIL NOTED STATEMENTS.

4. INDIA WAIVER. APPROVED WITHOUT DISCUSSION.  
US VOTED FOR.

5. AUSTRALIAN TEXTILE RESTRICTIONS. (SEPTTEL.)

6. WP REPORT ON CANADIAN EGG RESTRICTIONS.  
US THANKED WP, PER REFTEL, AND CANADA JOINED US.

7. UK IMPORT RESTRICTIONS. EC, IN EXPECTED VERBAL LIMITED OFFICIAL USE  
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DESCRIPTION OF MEASURES, SAID TV TUBE AND SET SURVEILLANCE FOR STATISTICAL PURPOSES ONLY; COTTON YARN MEASURES AFFECTING SPAIN AND PORTUGAL VALID UNDER MFA; LIMITS ON MEN'S SUITS INVOLVE EAST EUROPEAN COUNTRIES, ALL MEASURES TEMPORARY. US MADE STATEMENT ALONG LINES STATE 23234 INDICATING THAT IF SYSTEM ON TV TUBES AND SETS IS TRULY FOR STATISTICAL SURVEILLANCE ALONE, THAT IT SHOULD NOT LOGICALLY EXCLUDE IMPORTS FROM OTHER EC COUNTRIES. SPAIN SAID THEY HAD HEARD OF UK RESTRICTIONS VIA TEXTILE SURVEILLANCE BODY AND BILATERALLY FROM UK PORTUGAL REGRETTED RESTRICTIONS, COMPLAINED OF NO PRIOR NOTICE, NOTED THEY NOT IN TEXTILE AGREEMENT (MFA),

SAID MEASURES ARE DISCRIMINATORY AND PLACE ADDED STRAIN ON ALREADY BURDENED POLITICO-ECONOMIC SITUATION IN PORTUGAL, AND RESERVED GATT RIGHTS. JAPAN REGRETTED UK MEASURES, WARNED OF DANGERS OF PROLIFERATION, AND WITH SINGAPORE JOINED US IN CONCERN OVER DISCRIMINATORY SURVEILLANCE SYSTEM ON TVS. ROMANIA SAID THEY WOULD WATCH AFTER THEIR MFA RIGHTS. EC PROMISED CIRCULATE WRITTEN DESCRIPTION OF MEASURES, SAID THEY DON'T HAVE TO CHANGE SURVEILLANCE SYSTEM SINCE THEY ARE A CUSTOMS UNION MOVING TOWARD UNIFORM SYSTEM ON ALL ADMINISTRATIVE AND CUSTOMS MATTERS.

8. ADMINISTRATIVE AND FINANCIAL MEASURES.  
ADJUSTMENTS OF CONTRIBUTIONS AND NEW EXTERNAL AUDITOR APPROVED.

9. BRAZILAIN BOP MEASURES. GENEVA 1122.

10. CHAIRMAN OF BOP COMMITTEE. JAGMETTI APPROVED.  
COMMENT: WE RECOGNIZE HIM NOW AND BELIEVE CHOICE WAS A GOOD ONE.

11. OTHER BUSINESS.

(A) NEW ZEALAND PRIOR IMPORT DESPOSITS. NEW ZEALAND SAID MEASURES WERE TEMPORARY AND ASKED FOR A WP "AS IN PAST FOR SIMILAR SCHEMES". CANADA SAID THEY NOT LIMITED OFFICIAL USE  
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CLEAR WHICH GATT ARTICLE JUSTIFIES MEASURES AND PREFERRED BOP COMMITTEE EXAMINATION. US NOTED N.Z. ASSURANCE MEASURES WERE TEMPORARY, RECOGNIZED SERIOUSNESS OF N.Z. BOP SITUATION, AND RECOMMENDED THAT BOP COMMITTEE EXAMINE MEASURES, PER REFTEL. EC, JAPAN, AUSTRALIA, SINGAPORE REGRETTED NEED FOR MEASURES, UNDERSTOOD N.Z. BOP PREDICAMENT, AND ALL SUPPORTED IDEA OF WORKING PARTY. NZ SAID DEPOSIT IS FOR ONE YEAR ONLY, NON-DISCRIMINATORY; FISCAL AND MONETARY MEASURES ALREADY BEING APPLIED; NOTED ICELAND, ITALY, UK SCHEMES WENT TO WPS WHILE OTHER IMPORT DEPOSIT SCHEMES EXAMINED BY BOP COMMITTEE INVOLVED COUNTRIES WHICH WERE ALREADY PREVIOUSLY CONSULTING UNDER BOP PROVISIONS OF GATT. CHAIR (MACIEL) SAID COUNCIL APPEARED INCLINED TO WP; PROPOSED SANDILYA OF INDIA AS CHAIRMAN, STANDARD TERMS OF REFERENCE (TO EXAMINE PRIOR DEPOSITS IN LIGHT RELEVANT GATT PROVISIONS AND REPORT TO COUNCIL). COUNCIL SO DECIDED. US IS MEMBER OF WP.

(B) EXPORT INFLATION INSURANCE SCHEMES. US REPEATED APPEAL FOR ALL COUNTRIES HAVING SCHEMES TO NOTIFY THEM

UNDER ART XVI:1. IN ORDER COMPLY WITH INSTRUCTIONS  
IN REFTTEL TO MENTION UK AND PORTUGAL WITHOUT  
SINGLING THEM OUT, WE REFERRED TO BOTH PLUS FRANCE,  
FINLAND, "AND ALL OTHERS HAVING SUCH SCHEMES". JAPAN  
SUPPORTED AND REMINDED COUNCIL OF THIER PREVIOUSLY  
EXPRESSED CONCERN.

(C) ITC ESCAPE CLAUSE ACTION. JAPAN EC, EC, SWEDEN, AUSTRIA  
SAID THEY CONCERNED ABOUT RECOMMENDATION ON STELL, WARNED  
OF SERIOUS REPERCUSSIONS ON WORLD TRADE IF US WERE  
TO TAKE ACTION, URGED US NOT TO DO IT. US RESPONDED  
PER REFTTEL, NOTED WE FOLLOW OPEN PROCEDURES, AND  
PROMISED REPORT OTHER'S CONCERN. NO MENTION OF FOOTWEAR.

(D) GATT COMMERCIAL POLICY COURSE. MANY LDCS AND US  
SUPPORTED INCREASE. MATTER GOES TO BUDGET COMMITTEE.

(E) EC BEEF RESTRICTIONS. AUSTRALIA SAID NEW CHANGES  
IN SYSTEM SEEM MORE RESTRICTIVE THAN BEFORE. EC SAID  
NO; THE TWO AGREED TO DISCUSS BILATERALLY.  
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(F) AUSTRALIA ADOPTS BRUSSELS DEFINITION OF VALUE FOR  
CUSTOMS PURPOSES. SEPTTEL

(G) GREEK IMPORT RESTRICTIONS. AUSTRALIA SAID GREECE  
SUSPENDED IMPORTS OF LAMB, ASKED DETAILS. GREECE SAID  
SUSPENSION WAS TEMPORARY, PROMISED DETAILS TO AUSTRALIA.

(H) POLISH CUSTOMS TARIFF. POLAND SAID TARIFF  
INTRODUCED JAN 1 BASED ON BTN WITH TWO COLUMNS:  
BTN AND "AUTONOMOUS". APPLICATION IS NON-DISCRIMINATORY.  
SAID SINCE THIS IS "FIRST TARIFF IN 36 YEARS", THEY  
COULD NOT TELL CPS MORE ABOUT IT UNTIL THEY LEARNED  
MORE. EC, US ASKED THAT POSSIBILITY OF REVERTING TO  
SUBJECT AT SOME FUTURE COUNCIL BE LEFT OPEN; CHAIR  
AGREED.

(I) EC-MALTA AGREEMENT. EC SAID OLD EC OF 6 AGREEMENT  
REPLACED BY EC OF 9 AGREEMENT; TEXT TO BE CIRCULATED  
SHORTLY, EC PREPARED SUBMIT TO NATURAL GATT EXAMINATION.  
COUNCIL TO REVERT TO MATTER WHEN DOCUMENTS AVAILABLE.

(J) PANELS ON DISC AND RELATED MATTERS. CHAIRMAN MACIEL  
INFORMED COUNCIL THAT THE FOUR PANESL WITH IDENTICAL  
MEMBERSHIP NOW AGREED, CITED MEMBERSHIP. COUNCIL TOOK  
NOTE.

(K) TOO MUCH OTHER BUSINESS. ARGENTINA, JAMAICA SAID  
TOO MANY ITEMS BEING INSCRIBED UNDER "OTHER BUSINESS"  
WHICH COULD HAVE BEEN NOTIFIED IN ADVANCE FOR REGULAR

AGENDA. CHAIRMAN ASKED ALL CPS HEED THIS APPEAL. DALE

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 15 SEP 1999  
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**Current Classification:** UNCLASSIFIED  
**Concepts:** COMMITTEES, MEETING PROCEEDINGS, BALANCE OF PAYMENTS, MARKS OF ORIGIN  
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**Copy:** SINGLE  
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**Disposition Approved on Date:**  
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**To:** STATE INFO BUENOS AIRES  
CANBERRA  
LONDON  
NEW DELHI  
OSLO  
OTTAWA

PARIS  
QAMEMBASSY STOCKHOLM  
TOKYO  
VIENNA  
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